

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 163708

15

ORIGIN NEA-16

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 IGA-02

CIAE-00 COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12

SWF-02 L-03 AGR-20 ARA-16 IO-14 /183 R

DRAFTED BY NEA/PAB:DLBLAKEMORE/AID/ASIA/SA:RBECKMAN:MRC

APPROVED BY NEA:LBLAINGEN

NEA/PAB:RAPECK

AA/ASIA:CHREES

ASIA/CD:TSTERNER

----- 012350

R 270001Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY DACCA

LIMITED OFFICIAL USE STATE 163708

E.O. 11652 N/A

TAGS: EAID, BG

SUBJ: CALLS BY PLANNING COMMISSION SECRETARY SYEDUZZAMAN

REF: DACCA 3216

1. PLANNING COMMISSION SECRETARY SYEDUZZAMAN CALLED ON ACTING DEPUTY ASSISTANT SECRETARY LAINGEN AND AA/ASIA (ACTG) REES JULY 24 TO PRESENT LETTER TO SECRETARY KISSINGER AND AIDE MEMOIRE OUTLINING SEVERITY OF CURRENT BANGLADESH ECONOMIC CRISIS. HE INDICATED THAT BDG EXPECTS A "GENEROUS RESPONSE" FROM USG TO THIS APPEAL FOR HELP, AND EXPRESSED HOPE THAT USG WILL HELP MOBILIZE ASSISTANCE FROM OTHER POTENTIAL AID DONORS. SPECIFICALLY, SYEDUZZAMAN ASKED THAT USG PUT IN GOOD WORD ON BDG'S BEHALF WITH POTENTIAL DONORS IN OIL PRODUCING AREAS OF MIDDLE EAST. SYEDUZZAMAN ALSO INDICATED PART OF HIS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 163708

BUSINESS IN WASHINGTON IS TO START ADMINISTRATIVE PROCESS

FOR DRAWDOWN OF DOLS. 30 MILLION (APP.) SECOND TRANCHE OF IMF STANDBY.

2. SYEDUZZAMAN WAS ASSURED THAT USG IS FULLY AWARE OF MAGNITUDE OF BD ECONOMIC CRISIS AND THAT WE ARE TRYING TO BE AS HELPFUL AS WE CAN, ALTHOUGH USG ABILITY TO HELP WILL PROBABLY BE LIMITED LARGELY TO FOOD AREA. HE WAS TOLD WE WOULD BE WILLING TO CONSIDER DISCUSSING BANGLADESH

SITUATION WITH OIL PRODUCING STATES, BUT IT WAS STRESSED THAT THIS SHOULD BE IN SUPPORT OF STRONG BENGALEE INITIATIVE RATHER THAN SIMPLY SOLO USG EFFORT. SYEDUZZAMAN SAID BDG HAS ALREADY CONTACTED IRAN, IRAQ, ABU DHABI AND KUWAIT AND THAT MINISTER OF FOREIGN TRADE MAY TRAVEL TO SAUDI ARABIA IN NEAR FUTURE.

3. IN MEETING WITH REES AND ASIA BUREAU OFFICERS, MAIN TOPICS OF CONVERSATION WERE PROSPECTS FOR INCREASED FOOD ASSISTANCE, BDG INITIATIVE ON CONSORTIUM, REPROGRAMMING OF REHABILITATION GRANT AND BANK POPULATION PROJECT.

A) FOOD AID. REES INDICATED THAT INCREASED FOOD AID WAS BEST WAY FOR US TO RESPOND TO PRESENT CRISIS. HE DESCRIBED CONSIDERATION BEING GIVEN TO INCREASING PL 480 BUDGET IN FY 75 AS MEANS OF AIDING MSA COUNTRIES, BUT OBSERVED THAT MOVEMENT ON THIS PLAN HAS BEEN SLOWED BY LATEST CROP REPORTS. HOWEVER, REES AFFIRMED THAT IT IS AID'S EXPECTATION TO BE ABLE PROVIDE MORE TITLE I FOOD THIS YEAR THAN LAST. INCREASED FLOWS LATER IN YEAR WILL NOT HELP DURING SCARCITY PERIOD BUT WILL HELP BDG FOREX BUDGET FOR REMAINDER OF FISCAL YEAR. REES ALSO CONFIRMED THAT WE ARE ENDEAVORING TO HAVE COTTON INCLUDED IN REGULAR PROGRAM.

B) CONSORTIUM. (1) REES REPORTED THAT CONSENSUS IN USG REGARDING LEADERSHIP AND VENUE OF CONSORTIUM APPEARED TO BE STRONGLY IN FAVOR OF, RESPECTIVELY, IBRD AND DONOR CAPITALS. ALSO, WE WOULD ENCOURAGE MEMBERSHIP OF OPEC COUNTRIES -- PARTICULARLY KUWAIT. SYEDUZZAMAN AFFIRMED BDG DESIRE FOR OPEC PARTICIPATION AND SAID BDG DIPLOMATIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 163708

ACTIVITY TO THIS END WOULD INTENSIFY FOLLOWING SAUDI RECOGNITION. (2) IN DISCUSSION OF BENEFITS TO BANGLADESH OF AN IBRD-LED CONSORTIUM, REES NOTED THAT AIDE MEMOIRE ON EMERGENCY ASSISTANCE DIFFICULT TO FOLLOW BECAUSE ECONOMIC ANALYSIS, PARTICULARLY B/P STATEMENT, IN NON-STANDARD TERMS. ONE ADVANTAGE OF HAVING IBRD IMPRIMATEUR ON SUCH DOCUMENT IS GAIN IN CREDIBILITY AMONG DONOR COMMUNITY. REES OBSERVED THAT A PRIMARY

CONCERN OF ANY DONOR IS HOW WELL A RECIPIENT IS MANAGING ITS OWN AND EXTERNAL RESOURCES; BECAUSE IBRD ANALYSIS ROUTINELY TREATS INTERNATIONAL TRADE AND FISCAL AND MONETARY MANAGEMENT -- INCLUDING EXCHANGE RATE POLICY -- DONOR EVALUATION OF REQUIREMENTS IS FACILITATED.

(3) COMMENTS ON RESOURCE MANAGEMENT AND DEVALUATION STOPPED SHORT OF INDICATION OF SPECIFIC DIRECTION IN WHICH USG WOULD LIKE TO SEE BDG MOVE, BUT WERE CLEAR SIGNAL US BECOMING INCREASINGLY CONCERNED WITH MAJOR

POLICY ISSUES AFFECTING CURRENT CRISIS. SYEDUZZAMAN RESPONDED THAT HIS GOVERNMENT WAS SEIZED WITH ALL THESE ISSUES, AND SAID BDG PLACING CONSIDERABLE RELIANCE ON BANK MISSION NOW IN BANGLADESH FOR GUIDANCE ON OVERCOMING IMMEDIATE PROBLEMS.

C. GRANT REPROGRAMMING. WE DESCRIBED OUR CONCERN THAT CURRENT REPROGRAMMING, PARTICULARLY REGARDING SUBPROJECTS WITH HEAVY CONSTRUCTION ELEMENT, MAY NOT BE SUFFICIENT, IN VIEW OF PAST PERFORMANCE, TO SAFEGUARD BDG'S ESSENTIAL INTEREST IN NOT LOSING MONEY AT GRANT TDD. SYEDUZZAMAN SAID THAT DECISIONS REGARDING EDUCATION AND HEALTH SUB-PROJECTS TAKEN ON BASIS PC'S OWN BEST JUDGMENT, AND WERE NOT BROKERED AGREEMENTS REFLECTING POLITICAL PRESSURES. SPECIFIC QUESTIONS ON REPROGRAMMING OF GRANT FOLLOW BY SEPTELS.

D. IBRD POPULATION PROJECT. SYEDUZZAMAN ASKED IF AID HAD RECONSIDERED ITS EARLIER POSITION ON A VERY LIMITED "PARTICIPATION" IN THE PROPOSED BANK PROJECT. WE REPLIED WE ARE AWAITING WORD FROM MISSION ON POPULATION SECTOR REVIEW WHICH WILL INCLUDE FINAL MISSION COMMENTS ON BANK PROJECT, BUT THAT WE ARE DOUBTFUL EMPHASIS ON HIGH-COST LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 163708

INFRASTRUCTURE IS ANSWER TO PROBLEM OF FINDING MORE INNOVATIVE, EFFECTIVE MEANS TO REACH THE PEOPLE WITH FAMILY PLANNING SERVICES.

4. CONVERSATIONS REVEALED SYEDUZZAMAN'S RECOLLECTION THAT DELIVERY OF JUTE BAGS TO CUBA WILL NOT BE COMPLETED BEFORE THE END OF SEPTEMBER. IN LIGHT OF SYEDUZZAMAN'S REMARKS, DEPARTMENT WOULD APPRECIATE ANY ADDITIONAL INFORMATION EMBASSY CAN DEVELOP ON DELIVERY SCHEDULE FOR JUTE BAGS TO CUBA. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, PL 480, FOREIGN ASSISTANCE, FOOD ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE163708
Document Source: CORE
Document Unique ID: 00
Drafter: DLBLAKEMORE/AID/ASIA/SA:RBECKMAN:MRC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740204-0833
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740712/aaaaajsf.tel
Line Count: 164
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: DACCA 3216
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 14 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Aug-2002 by boyleja>; APPROVED <24 FEB 2003 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CALLS BY PLANNING COMMISSSION SECRETARY SYEDUZZAMAN
TAGS: EAID, BG
To: DACCA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005